



ANNUAL REPORT
AND
FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

KNOWLEDGE SCHOOLS TRUST

(A Company Limited by Guarantee)



Annual Report and Financial statements - Contents

Year ended 31 August 2022

Contents	Page
Reference and Administrative Details	2
Trustees' Report	4
Governance Statement	14
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditor's Report to the members of Knowledge Schools Trust	20
Independent Reporting Accountant's Assurance Report on Regularity to Knowledge Schools Trust and the Education and Skills Funding Agency	23
Statement of Financial Activities incorporating Income & Expenditure Account	25
Balance Sheet	26
Cash Flow Statement	27
Notes to the Financial Statements, incorporating	28
Statement of Accounting Policies	
Other Notes to the Financial Statements	

Members	Ms Kathryn Cooper Ms Suzanna Hobart Mr Cosmo Lush Mr John McIntosh Mr Toby Young
Trust Directors (Trustees)	Ms Suzanna Hobart* (Chair) Mr Cosmo Lush Mr Alexander Conabeare* Ms Kathryn Cooper
<i>*Members of the Finance and Operations Committee</i>	Ms Jane Emmett Mr Nick Gibb (appointed 13 July 2022, resigned 27 October 2022) Ms Penny Hunt Mr Ian Hunter* Mr Oliver Knight (appointed 15 December 2021) Ms Laura McGaughey* Mr William Rollason Ms Beverley Trotman (resigned 11 October 2022)
Company Secretary	Ms Anne Wickham
Company Name & registration number	Knowledge Schools Trust (the Trust) - 07493696
Principal address & registered Office	Cambridge Grove, Hammersmith, London, W6 0LB
Principal places of operation	West London Free School Palingswick House, 241 King Street, London W6 9LP Franklin House, 2 Bridge Avenue, London W6 9JP West London Free School Primary and Earl's Court Free School Primary Cambridge Grove, London W6 0LB Kensington Primary Academy 205 Warwick Road, London W14 8PU Edlesborough Primary Academy High Street Edlesborough Dunstable Bedfordshire LU6 2HS KST Enterprises Limited 21 Banim Street London W6 0DN
Trust Senior Management Team:	
Chief Executive Officer (Accounting Officer)	Mr Ian Hunter
Chief Finance Officer	Ms Anne Wickham
Operations Director	Mr Stewart Keiller

WLFS Local Governing Body

Mr William Rollason * (Chair)

Ms Nicola Arnold *

Ms Kathryn Cooper

**Members of the Finance and General Purposes*

Ms Caroline Ffiske (resigned 23 March 2022)

Ms Sarah Fletcher (resigned 1 December 2021)

Mr Anthony Henwood (resigned 30 June 2022)

Ms Gilat Levy

Ms Laura O'Brien (resigned 1 December 2021)

Ms Kim Stringer

Ms Lulu Szego (appointed 1 December 2021)

Ms Nadia Touzani

Joint Headteachers of WLFS

Mr Ben McLaughlin

Mr Robert Peal

WLFS Primary, ECFS Primary and KPA Local Governing Body

Mr Alexander Conabeare*

Ms Emma Madden

Ms Jane Emmett

Ms Olivia Gautier

Ms Milena Jakupovic (resigned 29 July 2022)

Ms Chloe Letch (appointed 27 September 2021, resigned 29 July 2022)

Mr Rikdeep Lit

Ms Abbe Martineau* (resigned 21 July 2022)

Ms Dee Purdy*

Ms Emma Wakefield-Gray

Edlesborough Primary Academy Local Governing Body

Ms Beverley Trotman* - Chair
Mr Oliver Pengelly - Vice Chair (resigned 31 December 2021)
Ms Simone Lawes (resigned 17 December 2021)
Ms Kara March*
Mr Andrew Brown *
Mr Daniel Roberts (appointed 23 November 2021)
Mr Simon Higgs (appointed 16 March 2022)

*Members of the Finance and General Purposes Committee

Director of Primary Education

Laura Lund

Independent Auditor

MHA MacIntyre Hudson
2 London Wall Place
London
EC2Y 5AU

Bankers

Lloyds Bank
25 Gresham Street
London
EC2V 7HN

Solicitors

Browne Jacobson
6 Bevis Marks
London
EC3A 7BA

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

Knowledge Schools Trust is an independent charitable trust set up to provide children attending its schools with a knowledge rich education, regardless of background or ability. The Trust currently has five schools:

- the West London Free School (WLFS), a secondary school with a sixth form, which opened in 2011. On 31 August 2022, the end of its eleventh year of operation, WLFS had 889 pupils on roll of which 239 pupils were in the Sixth Form;
- the West London Free School Primary (WLFS Primary), which opened in 2013. On 31 August 2022, the end of its eighth year of operation, WLFS Primary had 419 pupils on roll;
- the Earl's Court Free School Primary (ECFS Primary), which opened in September 2014. On 31 August 2022, the end of its seventh year of operation, ECFS Primary had 210 pupils on roll; and
- Kensington Primary Academy (KPA), which opened in September 2016. At 31 August 2022, the end of its fifth year of operation, KPA had 204 pupils on roll, of which 26 pupils were in nursery.
- Edlesborough Primary Academy (EPA), which joined Knowledge Schools Trust on 1 November 2020. At 31 August 2022, EPA had 204 pupils on roll, of which 35 pupils were in nursery.

West London Free School

The school is a publicly funded school and is non-selective. There are 130 Year 7 places available at the school each year. We offer up to 12 places for children with musical aptitude and, in accordance with the School Admissions Code, priority is given to children with education, health and care plans and children who were or are looked after. We want to ensure that

the school serves local families and, after we have allocated places to music scholars, statemented children, siblings, etc, we allocate 50% of the remaining places based on proximity. The remaining places are awarded by lottery, with a majority being allocated to those who live within a one-mile radius of the school and a smaller number to those within a three-mile radius. In-year admissions are managed via straight-line distance from the front gate of the school. The admission arrangements of West London Free School fully comply with the 2014 School Admissions Code. The school is open to anyone and is non-selective. The full admissions code and oversubscription criteria are set out in the admissions policy published on the school website.

West London Free School Primary, Earl's Court Free School Primary and Kensington Primary Academy

The primary schools' welcome applications from across the local communities and are non-selective. We prioritise 20% of places for disadvantaged children and, in accordance with the School Admissions Code, priority is given to children with education, health and care plans and children who were or are looked after. In the event of oversubscription places are allocated according to straight-line distance from the relevant school gate. The full admissions code and oversubscription criteria are set out in the admissions policy published on the school website.

Edlesborough Primary Academy

Edlesborough Primary Academy welcomes applications from across the local communities and is non-selective. In accordance with the School Admissions Code, priority is given to children with education, health and care plans and children who were or are looked after. In the event of oversubscription places are allocated according to straight-line distance from the relevant school gate. The full admissions code and oversubscription criteria are set out in the admissions policy published on the school website.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Knowledge Schools Trust is a non-registered exempt UK Charity and a company limited by guarantee, incorporated on 14 January 2011, with the company registration number 07493696. The primary governing documents of the charity are its Memorandum and Articles of Association dated 18 April 2013, when the Trust adopted new Articles of Association as part of the process of changing from a single academy trust to a multi-academy trust.

The Directors of the Trust act as the Trustees for the charitable activities of the Trust and are also the Trustees of the charitable company, known as Knowledge Schools Trust, for the purposes of company law.

Members' Liabilities

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member or within one year after they cease to be a Member. Such amount as may be required, not exceeding £10, will be for the debts and liabilities contracted before they ceased to be a Member.

Trustees' Indemnities

There are no qualifying indemnity provisions in force for the benefit of one or more directors of the company.

Method of Recruitment and Appointment or Election of Trustees

Details of the Trustees who served during the year are included in the Reference and Administrative section of this document, commencing on page 2.

As specified in Trust's Articles of Association, the Members may nominate and appoint up to 12 Trustees. New Trustees may also be appointed by a majority vote of the existing Trustees. Potential Trustees are assessed with regard to the needs of the Trust and the particular skills and experience that they offer. Consequently, the Trustees represent a balance of private

sector and public sector experience, including both primary and secondary school expertise.

Policies and Procedures Adopted for the Induction and Training of Trustees

Policies and procedures relating to the induction and training of Trustees are reviewed annually and updated in light of best practice guidance issued by the Trust's regulators. Induction for new Trustees includes visits to the schools in the Trust, meetings with the headteachers and the existing Trustees, as well as meetings and discussions with the Trust's Officers.

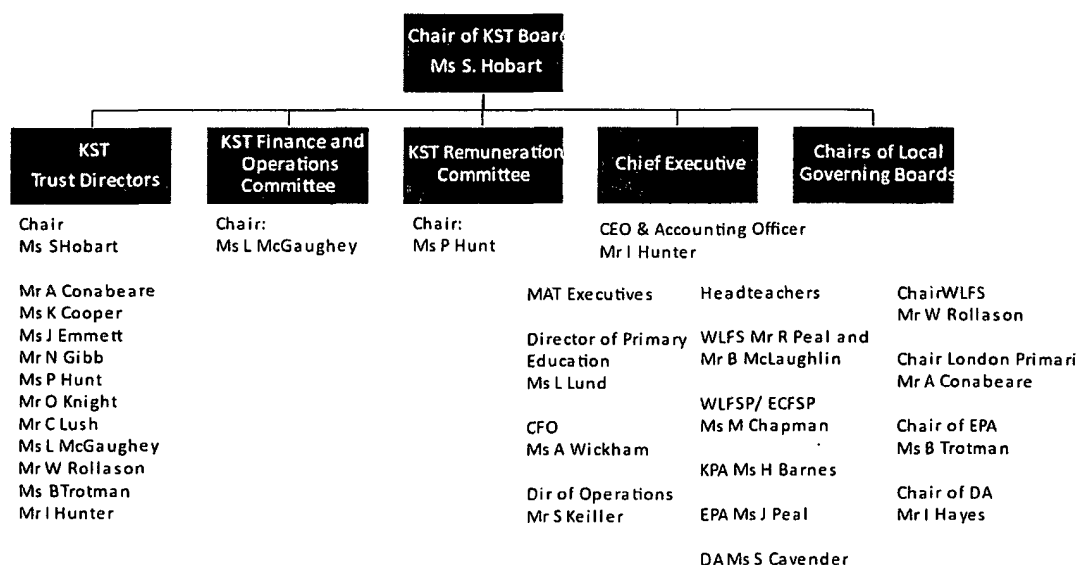
Organisational Structure

Since becoming a multi-academy trust, the organisation has established a scheme of delegation that delineates the roles and responsibilities of the Board of Trustees, the Local Governing Bodies (LGBs) and the head teachers of the schools within the Trust. The Chief Executive of Knowledge Schools Trust is the Accounting Officer.

The Trust has enshrined its scheme of delegation in a Terms of Reference document that describes how responsibilities are distributed between the Board, the LGBs and the head teachers in the following areas: Governance/Management, Education, Employment/Human Resources, Budgets, Sites/Facilities/ICT, Admissions/Exclusions and Marketing/Communications.

The diagram below shows the organisational structure of Knowledge Schools Trust as at 31 August 2022.

Knowledge Schools Trust Organisational Structure



Arrangements for setting the remuneration of key management and staff

The key management personnel of the Trust responsible for directing and controlling the Trust are the Trustees and the Senior Executive Management Team. Trustees are not remunerated for their services as Directors of the Trust, but the Senior Executive Management Team are.

There is a Remuneration Committee consisting of three Trustees that meets at least yearly to agree the remuneration of

key management personnel (including the head teachers) in line with market rates and the achievement of performance objectives.

Trade union facility time

The Academy Trust does not have any staff who were relevant union officials during the year and no trade union expenses were incurred.

Related Parties and other Connected Charities and Organisations

Knowledge Schools Foundation Trust (KSFT), a company that raises money for Knowledge Schools Trust, is a registered charity with the registered company number 07292254. Related party transactions involving Trustees are set out in notes 10 and 29 to the financial statements.

On 16 May 2019, the Trust incorporated a wholly owned subsidiary called KST Enterprises, a private company limited by shares. The company number is 12000639. Its registered office is Cambridge Grove, London W6 0LB. The subsidiary trades in primary knowledge curriculum materials, and associated training and consultancy, to other schools and multi academy trusts. The primary knowledge curriculum materials include curriculum maps, subject and unit rationale documents explaining curriculum progression and content, lesson plans, knowledge organisers and assessment materials for history, geography, art and science. They also include synthetic phonics materials sold under the label of Essential Letters and Sounds. Training courses on the implementation of the materials and are offered to schools, either on a face-to-face basis or online. Schools are also able to purchase one-to-one consultancy services. KST Enterprises also employs staff who provide wrap around and holiday care to pupils and manages the letting of our buildings to external hirers.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust's aims are to advance education in the United Kingdom for the public benefit by establishing, maintaining, managing and developing schools offering a classical liberal knowledge-based education.

Objectives, Strategies and Activities

The Trust's objectives are to offer a knowledge rich education to all pupils regardless of background or ability; to ensure the Trust remains in financial surplus; to maintain budgetary discipline; to attract and retain the best staff possible and to ensure all the schools under its umbrella are over-subscribed. Trustees intend to expand the number of schools within the Trust and regularly discuss how to achieve this. The Trust has also invested in developing primary and secondary curriculum products to help other educational institutions adopt a similar knowledge rich approach.

Ensuring our objectives are met

The Trust's schools are subject to regular inspection by Ofsted. In addition, all schools are required to have a pre-opening inspection by Ofsted, as well as receive regular monitoring visits from the Department for Education (DfE). Lesson observations take place, and a head teacher performance review system is in place. Academic progress is monitored, and the head teachers at the schools report regularly on progress to their LGBs, which in turn report to the Board. Other evaluation measures include examination results, assessments of pupil progress, sporting and other successes, attendance rates and application rates. The West London Free School was inspected by Ofsted in May 2017 and July 2022 and was rated "Good", with two areas noted as being "Outstanding". The West London Free School Primary was inspected by Ofsted in May 2015 and was rated "Outstanding" in every area, and the Earl's Court Free School Primary was inspected in June 2017 and was rated "Outstanding" in every area. Kensington Primary Academy was inspected by Ofsted in November 2018 and was rated "Outstanding" in every area. Edlesborough Primary Academy has not been rated by Ofsted since it joined KST.

Public Benefit

In setting the objectives and planning the activities of the Trust, the Trustees have complied with the duty in section 17 of

the Charities Act 2011 to have due regard for the Charity Commission's general guidance on public benefit in exercising their powers and duties. The objectives, activities, achievements, and performance above explain the ways in which The Trust fulfils this obligation.

STRATEGIC REPORT

Achievements and Key Performance Indicators

The Trustees are satisfied that its key aims and objectives have been attained with pupils in both Year 11 and Year 13 achieving results in line with our previous excellent record of academic achievement. Despite an agreed investment from reserves in additional Sixth Form teaching and various capital projects, it has ended the year with a financial surplus.

Pupils at West London Free School sat public examinations for GCSEs and A-Levels for the first time since 2019. The A level results in the summer of 2022 were the highest ever achieved at WLFS. 16% of grades were A*, 45% were graded A*- B, 73% were graded A* to B and 91% were A* to C. Four students achieved all A* grades for their subjects and 27 students achieved either A* or A grades. Of our 123 applicants on UCAS, 99% gained a place at a university, with 82% going to their first choice of university and 98% going to either their first or second choice. 100% of pupils eligible for the 16-19 bursary support got into their first or second choice of university, including Durham, King's College and Nottingham universities. 69% of students who received confirmed destinations achieved places at Russell Group or equivalent institutions. 7 pupils achieved places at Oxford or Cambridge, and one pupil achieved a Chemical Engineering Degree Apprenticeship offered by Strathclyde University. One pupil achieved a place to study medicine. In addition to the cohort attending Russell Group universities, pupils are also studying at a range of prestigious art and music colleges.

WLFS's results at GCSE were the best set of results in achieved at KS4 examinations. The average grade was 6.4, up from 6.3 in 2019. 49% of grades were 9-7, 70% were 9-5 and 88% were 9-4.

The pupils' achievements are a testament to their hard work and focus, as well as the efforts of the exceptional teaching and support provided by staff. Progress in Years 7-10 is in line with this level of exam success in year 11. The school's specialism in music helped ensure 30% of pupils had musical tuition in one or more instruments (2020-21: 20%), which compares with less than 10% of secondary school pupils nationally. Attendance at the Secondary, was 93.1% (2020-21: 93.1%). West London Free School remains over-subscribed by a ratio of 10:1 (2020-21: 10:1).

In all four Primaries, pupil performance continues to be impressive, particularly given the impact of the period of school closure and the challenges this creates for primary age children. The latest pupil outcomes are shown in the table below.

Early Foundation Profile	Years Stage	West London Free School Primary	Earl's Court Free School Primary	Kensington Primary Academy	Edlesborough Primary Academy	National (2019)
% achieving GLD		80%	80%	79%	77%	71%

Year 1 Phonics Screening Check	West London Free School Primary	Earl's Court Free School Primary	Kensington Primary Academy	Edlesborough Primary Academy	National
% reaching the required standard	100%	97%	79%	100%	75%

Key Stage 1 results – 2021 - 2022	West London Free School Primary	Earl’s Court Free School Primary	Kensington Primary Academy	Edlesborough Primary Academy	National	
Reading	EXS	85%	83%	80%	89%	67%
	GDS	37%	33%	30%	26%	18%
Writing	EXS	77%	83%	73%	61%	58%
	GDS	23%	23%	23%	19%	8%
Maths	EXS	87%	87%	83%	85%	68%
	GDS	33%	33%	33%	26%	15%

Key Stage 2 results – 2021 - 2022		West London Free School Primary	Earl's Court Free School Primary	Kensington Primary Academy	Edlesborough Primary Academy	National
Reading	EXS	90%	90%	n/a	82%	74%
	GDS	50%	63%	n/a	33%	28%
Writing	EXS	88%	93%	n/a	74%	69%
	GDS	48%	50%	n/a	19%	13%
Maths	EXS	92%	93%	n/a	74%	71%
	GDS	55%	37%	n/a	26%	22%

EXS: Working at the 'Expected' standard

GDS: Working at a 'Greater Depth' within the 'Expected' standard

Average attendance across the London based primary schools (excluding the period of school closure) was 94.2% (2020-21: 94.4%). The average attendance at EPA (excluding the period of school closure) was 93% (2020-21: 96%). 27% of pupils at the London based primaries learn to play a musical instrument (2020-21: 28%). 10% of pupils at EPA learn to play a musical instrument (2020-21: 8%).

Key Financial Performance Indicators

The schools' LGBs, as well as the Board, regularly review the following financial performance indicators:

- Balance of incoming and outgoing resources
- Year-to-date spend against forecast
- Distribution of spend across categories (e.g., salaries, educational supplies, extra-curricular activities)
- Monthly cash balance
- Levels of donations to the schools
- On-going capital investment.

Going Concern

After making appropriate enquiries, the Board has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

The Trustees take a cautious approach to the financial management of the Trust and consequently the Trust had an operating surplus after discharging its objects and aims as outlined above. This is in line with Charity Commission guidance, DfE guidance and with the Trustees' desire that funds be spent for the intended purpose. The Trust's principal source of funds is the DfE under the terms of the Trust's funding agreements.

All of the schools achieved an operational surplus, with deficit positions only arising from agreed investment of reserves into capital projects. The Trust also benefited from a gift aid payment from its trading subsidiary, KST Enterprises of £472,621. (2020-21: £75,275).

Reserves policy

The Trust's reserve policy is that, in any particular year, the total reserves should not fall below 10% of the total of General Annual Grant income and nursery funding for that year. At 31 August 2022, the level of reserves, excluding restricted fixed assets and prior to the pension adjustment was £1,753,572, which is above this threshold.

Unrestricted General Fund Reserves

At 31 August 2022, the value of the free reserves held as unrestricted general funds was £1,915,938 (2021: £1,289,719). As per the Trust's reserves policy, as this reserve grows, the Trustees will review the level of reserves held to target necessary improvements throughout its property portfolio and its operational and organisational structure to improve teaching facilities, outcomes for pupils and the environment throughout the schools.

The Trust holds no other unrestricted reserves.

Restricted Reserves

The Trust aims to set a budget each year that will achieve a cumulative revenue (general restricted funds) surplus after all costs of between 2% and 5%. It is intended that the reserves will be held to allow the Trust in future periods to target necessary improvements throughout its property portfolio and its operational and organisational structure to improve the teaching facilities, outcomes for pupils and environment throughout the schools.

On 31 August 2022, the level of reserves held as restricted general funds was a deficit of £535,367. (31 August 2021: deficit of £3,621,646) and the level of reserves held as restricted fixed asset funds, was £60,347,343. (31 August 2021: £61,032,910),

as shown in the Balance Sheet. The reason for the deficit in restricted general funds is due to the pension reserve being in deficit. After adjusting for the pension, the restricted general funds show a deficit of £162,368 (31 August 2021: surplus of £401,354).

Pension Reserve

At 31 August 2022, The Trust's share of the underlying Local Government Pension Scheme assets and liabilities was in deficit by £373,000 (31 August 2021: £4,023,000).

Investment Policy

The Trust manages and holds its bank and petty cash balances and makes investment decisions with regards to use of those funds which are directed towards the provision of educational activities in line with the curricula of the schools and the identified support needs. The surplus cash reserves are prudently invested in interest-bearing bank deposits or similar. The Trust has no other investments.

Principal Risks and Uncertainties

The Board continues to keep the schools' activities under review to identify principal risks and regularly reviews the Trust's risk register. The risk register continues to include COVID-19 related risks, and a Pandemic Policy remains in place. The Board continues to monitor the effectiveness of the system of internal controls (including insurance cover as appropriate), to ensure the risks already identified can best be mitigated. The major risks to which The Trust is exposed, as identified by the Trustees, have been reviewed and systems or procedures have been established to manage those risks.

The financial and risk management objective of The Trust is to ensure effective financial management at the schools, such that the schools deliver their objectives within their budgets. To this end, The Trust ensures its schools comply with its Financial Regulations and Scheme of Delegation document, the guidance in the Academies' Financial Handbook, wider government guidance (e.g. on procurement) and charities regulation.

Principal risks and actions to mitigate these risks include:

- Lack of demand for places leading to the schools operating at less than 100% capacity
 - Mitigation: the schools ran an effective marketing and community outreach operation throughout the year and as a result were full during this financial year, except for our sixth form. As with the 2020/21 year, the Trust has invested additional financial resource in supporting and marketing the Sixth Form and this has reaped benefits in terms of increasing the roll in the Sixth Form, which is now significantly oversubscribed.
 - A targeted marketing plan is in place at EPA as pupil numbers are below our target. This has been caused by factors not specific to the school, for example, pupils moving out of the area.
- Uncertainty around running costs
 - Mitigation: The Trustees and the management accountants within the schools maintain a rigorous and effective set of financial procedures to support their overall financial and risk management objectives. In addition, contingencies are in place in the schools' budgets that minimise the impact of unforeseen costs during the year, including the recent spike in energy costs. There is also a specific focus on staff numbers and associate employment costs as these are the main drivers of overall budget affordability.
- The management of financial risks such as credit, cash flow and liquidity risk are not considered principal risks due to the nature of the Trust's funding profile. These areas are closely monitored at the schools and at Trust level on a regular basis.

Fundraising

Most of the fundraising that is done for the benefit of Knowledge Schools Trust is done via four independent charities. The schools within the Trust have Parent Teacher Associations (PTA). (1 PTA for the secondary and 3 PTAs for the Primaries). They raise money from parents and other sources. In addition, the Knowledge Schools Foundation Trust (KSFT) receives

donations from parents, a few interested sponsors and high net worth individuals and foundations. KSFT has a contractual arrangement with an individual who raises funds which in some cases needs to be done in the name of the schools. The KSFT manages this process.

The Parent Teacher Associations and the KSFT comply with the Code of Fundraising practice and ensure that the privacy of possible donors is protected, that no unreasonable fundraising practices are employed, and that undue pressure is not placed on individuals or entities to donate. Annual confirmation of this is sought from both charities each year. No fundraising complaints have been received by any of the charities.

Plans for Future Periods

In September 2021, Kensington Primary Academy accepted its sixth cohort of reception pupils as well as continuing to operate a nursery for up to 30 pupils. It will continue to grow by 30 pupils each year until it reaches its full capacity of 240 pupils (including the nursery) in 2022/23.

A significant portion of the Cambridge Grove site (home to West London Free School Primary and Earl's Court Free School Primary) will be re-developed in 2023/24. This is being funded by the DfE.

We are pleased also to have approval from the DfE and Central Bedfordshire Local Authority for Doverly Down Lower School to join our Trust on 1 September 2022. We are also pleased to have approval to open a further secondary school in Cambridge which is expected to open in 2026. We continue to work with the DfE to open new schools or bring existing schools into our Trust in a managed and sustainable manner. Over the medium term (2022-25), the Trustees intend to further increase the number of schools under the Trust's management via bringing established schools on board or by integrating into the Trust other smaller Multi-Academy Trusts who are seeking to consolidate with a Trust with the knowledge rich ethos of KST.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware.
- the Trustees have taken all steps that they ought to have taken to make themselves aware of relevant audit information and to establish that the auditors are aware of that information.

A Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2022 and signed on the Board's behalf by:

Signature:



Ms Suzanna Hobart
Trustee

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that the Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to them in the funding agreements between the Trust and the Secretary of State for Education. The Chief Executive is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees formally met three times during the year. In addition to the termly meetings, the Trustees maintain oversight of the operations of the Trust through regular communication by email and telephone, and via sharing of information via a file sharing portal designed for this purpose. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Alexander Conabeare*	3	3
Ms Jane Emmett	3	3
Ms Kathryn Cooper	3	3
Ms Penny Hunt	3	3
Mr Ian Hunter*	3	3
Ms Suzanna Hobart (Chair)	3	3
Mr Cosmo Lush	3	3
Ms Laura McGaughey*	3	3
Mr William Rollason	3	3
Ms Beverley Trotman	3	3
Mr Oliver Knight	2	3
Mr Nick Gibb	1	1

*Members of the Finance and Operations Committee

Governance Reviews

The Trust reviews its governance on an annual basis and has reviewed its formal delegation of responsibilities between the Trust Board and Local Governing Board of our schools. In 2021, the Board has reviewed its composition and identified the requirement to appoint an experienced director with secondary and especially Sixth Form experience. This culminated in the appointment of Mr Oliver Knight as a trustee. The Board will continue to monitor its composition and respond as necessary.

The Finance and Operations Committee (FOC) is a sub-committee of the main Board of Trustees. Its purpose is to ensure that all funds are spent for their proper purpose; that financial regulations are adhered to in all material respects and that budgets are monitored on a monthly and termly basis. The FOC has formally met three times during the year. Attendance during the year at meetings of the FOC was as follows:

Governance Statement

Year ended 31 August 2022

	Meetings attended	Out of a possible
Trustee		
Ms Laura McGaughey (Chair)	3	3
Ms Suzanna Hobart	3	3
Mr Ian Hunter	3	3
Mr Rik Lit	3	3
Mr William Rollason	2	3

Management of conflict of interests

The Board manages conflicts of interests through:

- the appointment process. Trustees with trading relationships with any KST entities, including our trading subsidiary KST Enterprises Ltd, or other educational institutions are not considered for appointment
- for both KST and KSTE keeping the Register of Business and Pecuniary Interests up to date
- asking Trustees and Governors, and Directors in the case of KST Enterprises, if they have any conflict of interest with the items on the agenda at the start of each meeting.

Review of Value for Money

As accounting officer, the Chief Executive has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year and reports to the Board of Trustees.

The Trust supported its contracted suppliers during the periods of school closure by continuing to pay amounts due or by agreeing alternative arrangements which took supplier furlough decisions into account.

Economies of Scale

In 2021-22, the Trust has continued to build on potential economies of scale derived from having five schools within the Trust.

Prudent Financial Management

Since 2011, the Trust has used its facilities efficiently and generated extra income from them wherever possible. In September 2020 the Trust in-sourced the letting of its properties to its trading subsidiary, KST Enterprises Limited. This has meant that all lettings income accrues to KSTE, rather than the arrangement previously where a percentage was paid to a lettings management company. This has meant that the lettings income from our estate has increased from £272,022 in 2020-21 to £350,600 in 2021-22. Lettings income has recovered following the impact of school closure in the previous financial year.

Where possible, essential services are procured at a Trust level rather than at an individual school level in order to gain best value for money. All budget holders within the schools are required to familiarise themselves with the Trust's internal financial guidance document, the Financial Regulations and Scheme of Delegation, and follow the policies and procedures it sets out.

The Trust does not pay excessive salaries. In 2021-22, only one employee was paid a salary of more than £100,000.

Better procurement

Both revenue and capital budgets are subjected to close budgetary monitoring and value for money tests, with the schools' expenditure being overseen by the Finance and General Purposes Committees of their Local Governing Bodies and the Finance and Operations Committee of the Trust. The Trust reviews available frameworks and assesses suitability on a case-

Governance Statement**Year ended 31 August 2022**

by-case basis. Where there is no suitable framework, bespoke tenders are produced and/or value for money exercises are undertaken. In 2021/22 the Trust undertook the re-tendering of the cleaning service.

All senior staff are aware that FF&E and ICT budgets are one-off capital budgets have largely been drawn down with very little remaining. FF&E and ICT refreshment must now largely be financed from General Annual Grant budgets.

In the Secondary, department heads are allocated departmental capitation budgets and spend against these budgets are monitored on a monthly basis via the management accounts.

The Secondary

At the West London Free School, actions intended to improve educational outcomes include setting aspirational GCSE grade targets, keeping class sizes small, making Latin compulsory through to KS3 and setting across academic subjects in KS3, encouraging all children to learn a musical instrument and expecting all children to participate in our ambitious extra-curricular programme. The Trustees' Report describes key outcomes and achievements to illustrate that this approach is having a positive impact.

The West London Free School also has various measures in place to narrow the attainment gap between disadvantaged groups and their peers, including stretch and support classes in Maths and English, and subsidised music lessons for students eligible for the Pupil Premium.

The focus during 2021-22 was to maintain the high standard of GCSE outcomes. The school reverted to sitting public examinations following the two previous years where GCSEs were awarded based on Teacher Assessed grades. In the summer of 2022, WLFS posted its strongest set of A levels results. The Sixth Form was fully subscribed in 2021-22, with over 80% of our Year 11 pupils choosing to continue to Year 12 with WLFS, joined by external high calibre pupils from a variety of local schools. The Sixth Forms impressive record for Oxbridge attainment continued with seven students gaining places at either Oxford or Cambridge.

The Primaries

KST's primary schools, deploy measures to ensure the continuance of outstanding educational outcomes, such as setting high expectations, working with the children in small groups, organising the pupils into ability groups in phonics and teaching an innovative, knowledge-based curriculum, which the Trust has developed. There is evidence that this approach is having a beneficial impact, which is included within the Strategic Report.

The West London Free School Primary was inspected by Ofsted in May 2015 and was ranked "Outstanding" in every area, while the Earl's Court Free School Primary was inspected by Ofsted in June 2017 and was also ranked "Outstanding" in every area. Kensington Primary Academy was inspected in November 2018 and was also rated "Outstanding" in every area. Edlesborough Primary Academy has not been inspected since the school joined the Trust in November 2020.

The Purpose of the System of Internal Control

The system of internal control is designed to manage and reduce risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of The Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. A system of internal control has been in place in the Trust for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board has reviewed the key risks which the Trust is exposed to, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. There is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2022 and up to the date of the approval of the annual report and financial statements. The Board regularly reviews this process.

Governance Statement**Year ended 31 August 2022**

The Risk and Control Framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures, including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports that are reviewed and agreed by the LGBs
- Regular reviews by the LGBs' Finance and General Purposes Committees of reports which assess financial performance against the forecasts, and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks.

Robust key financial controls are crucial to ensure that the schools are complying with ESFA's requirements and expectations in relation to regularity, propriety and the safeguarding of public funds.

The Board considered the need for a specific internal audit function and decided not to appoint an internal auditor. However, since April 2014, RSM has been engaged to undertake an annual review of key financial controls across the Trust.

RSM reviews each school and identifies any weaknesses in the design of the overall control framework, which the Trust addresses. RSM provides a report to the Board overviews the work they complete, the outcome, and recommendations for improvement which are implemented by the schools, overseen by the Finance Director. The checks that RSM carried out in the year to 31 August 2022, within its programme of work, included:

- Review and testing of payroll system and personnel files
- Review of access levels to accounting systems and controls over data amendments and transactions
- Review and testing of purchasing systems and supporting documentation
- Review and testing of income systems and supporting documentation
- Review of bank reconciliations and procedures
- Review and testing of IT recovery procedures.

Review of Effectiveness

As accounting officer, Mr Ian Hunter has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- The work of the external auditor
- The work of RSM's annual review of financial controls
- The financial management and governance self-assessment process
- The information supplied by the Trust's finance teams led by the Finance Director
- The work of the Trust's Senior Management Team which has responsibility for the development and maintenance of the internal control framework.

The Finance and Operations Committee has advised the accounting officer of the implications of RSM'S programme of works on the system of internal control. Plans are in place to address any weaknesses identified and to ensure continuous improvement of the system.

Approved by order of the members of the Board of Trustees on 15 December 2022 and signed on its behalf by:

Signature:



Ms Suzanna Hobart
Trustee

Signature:



Mr Ian Hunter
Accounting Officer and CEO

Statement on Regularity, Propriety and Compliance

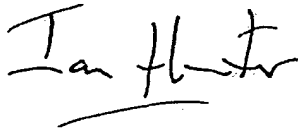
Year ended 31 August 2022

As accounting officer of Knowledge Schools Trust I have considered my responsibility to notify the Trust's Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreements in place between the Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreements and the Academies Financial Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and the ESFA.

Signature:

A handwritten signature in black ink, appearing to read 'Ian Hunter', with a horizontal line underneath.

Mr Ian Hunter
Accounting Officer and CEO
15 December 2022

Governance Statement

Year ended 31 August 2022

The Trustees (who act as Governors of Knowledge Schools Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academics Accounts Direction 2021 to 2022
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 15 December 2022 and signed on its behalf by:

Signature:



Ms Suzanna Hobart
Trustee

KNOWLEDGE SCHOOLS TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE KNOWLEDGE SCHOOLS TRUST

Opinion

We have audited the financial statements of Knowledge Schools Trust (the 'Trust') and its subsidiary (the 'Group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the Consolidated Balance Sheet, the Trust's Balance Sheet, the Statement of Consolidated Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group and the Trust's affairs as at 31 August 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

We are independent of the Group and the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

KNOWLEDGE SCHOOLS TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE KNOWLEDGE SCHOOLS TRUST

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

KNOWLEDGE SCHOOLS TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KNOWLEDGE SCHOOLS TRUST

In preparing the financial statements, the Trustees are responsible for assessing the Group and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group and the Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

KNOWLEDGE SCHOOLS TRUST

(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KNOWLEDGE SCHOOLS TRUST (CONTINUED)**

Use of our report

This report is made solely to the Trust's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its Members for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Statutory Auditor

London, United Kingdom

Date: 23 December 2022

KNOWLEDGE SCHOOLS TRUST

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KNOWLEDGE SCHOOLS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 December 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Knowledge Schools Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Knowledge Schools Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Knowledge Schools Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Knowledge Schools Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Knowledge Schools Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Knowledge Schools Trust's funding agreement with the Secretary of State for Education dated 12 July 2016 and the Academies Financial Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making

KNOWLEDGE SCHOOLS TRUST

(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
KNOWLEDGE SCHOOLS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

appropriate enquiries of the Accounting Officer.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Reporting Accountant
MHA MacIntyre Hudson
Statutory Auditor
London, United Kingdom

Date: 23 December 2022

Knowledge Schools Trust
Consolidated Statement of Financial Activities
For the year ended 31 August 2022

(including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Consolidated Total 2022 £	Consolidated Total 2021 £
Income and endowments from:						
Donations and capital grants	3	-	395,849	573,692	969,541	378,642
Transfer from local authority on conversion		-	-	-	-	2,384,625.00
Charitable activities						
Funding for the Trust's educational operations	4	-	13,661,141	-	13,661,141	13,259,046
Other trading activities	5	1,428,397	760,048	-	2,188,445	1,001,191
Investments	6	322	-	-	322	294
Total		1,428,719	14,817,038	573,692	16,819,449	17,023,798
Expenditure on:						
Raising funds	7	792,500	290	-	792,790	463,830.00
Charitable activities						
Trust's educational operations	8	10,000	15,879,305	1,591,423	17,480,728	14,620,583
Total		802,500	15,879,595	1,591,423	18,273,518	15,084,413
Net incoming resources before transfers		626,219	(1,062,557)	(1,017,731)	(1,454,069)	1,939,385
Gross transfers between funds	17	-	(332,164)	332,164	-	-
Net income for the year		626,219	(1,394,721)	(685,567)	(1,454,069)	1,939,385
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	4,481,000	-	4,481,000	(573,000)
Net movement in funds		626,219	3,086,279	(685,567)	3,026,931	1,366,385
Reconciliation of funds						
Funds brought forward		1,289,719	(3,621,646)	61,032,910	58,700,983	57,334,599
Funds carried forward		1,915,938	(535,367)	60,347,343	61,727,914	58,700,984

All of Knowledge Schools Trust's activities derived from continuing operations.

The notes on pages 30-56 form part of these financial statements.

Knowledge Schools Trust
Consolidated Balance Sheet
As at 31 August 2022

Company number 07493696

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	13		60,297,376		60,973,858
Investments	14		- 1		1
			<u>60,297,377</u>		<u>60,973,859</u>
Current assets					
Debtors	15	1,731,924		944,557	
Cash at bank and in hand		<u>2,035,454</u>		<u>2,882,118</u>	
		3,767,378		3,826,675	
Liabilities					
Creditors: amounts falling due within one year	16	<u>(1,963,841)</u>		<u>(2,076,551)</u>	
Net current assets			<u>1,803,537</u>		<u>1,750,124</u>
Net assets excluding pension liability			<u>62,100,914</u>		<u>62,723,983</u>
Pension scheme liabilities	28		<u>(373,000)</u>		<u>(4,023,000)</u>
Total net assets			<u><u>61,727,914</u></u>		<u><u>58,700,983</u></u>
Funds of the Trust:					
Restricted funds					
Fixed asset funds	17		60,347,343		61,032,910
General funds	17		(162,367)		401,354
Pension reserve	17, 28		<u>(373,000)</u>		<u>(4,023,000)</u>
Total restricted funds			<u>59,811,976</u>		<u>57,411,264</u>
Unrestricted funds					
General funds	17		<u>1,915,938</u>		<u>1,289,719</u>
Total unrestricted funds			<u>1,915,938</u>		<u>1,289,719</u>
Total funds			<u><u>61,727,914</u></u>		<u><u>58,700,983</u></u>

The financial statements on pages 26 to 56 were approved by the Trustees and authorised for issue on 15 December 2022 and are signed on their behalf by:

Signature:



Ms S Hobart
Trustee

The notes on pages 30-56 form part of these financial statements.

Knowledge Schools Trust
Balance Sheet
As at 31 August 2022

Company number 07493696

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	13		60,297,376		60,973,858
Investments	14		1		1
			<u>60,297,377</u>		<u>60,973,859</u>
Current assets					
Debtors	15	2,113,618		961,956	
Cash at bank and in hand		<u>1,586,731</u>		<u>2,800,998</u>	
		3,700,349		3,762,954	
Liabilities					
Creditors: amounts falling due within one year	16	<u>(1,896,812)</u>		<u>(2,012,829)</u>	
Net current assets			<u>1,803,537</u>		<u>1,750,125</u>
Net assets excluding pension liability			<u>62,100,914</u>		<u>62,723,984</u>
Pension scheme liabilities	28		<u>(373,000)</u>		<u>(4,023,000)</u>
Total net assets			<u><u>61,727,914</u></u>		<u><u>58,700,984</u></u>
Funds of the Trust:					
Restricted funds					
Fixed asset funds	17		60,347,343		61,032,910
General funds	17		(162,367)		401,354
Pension reserve	17, 28		<u>(373,000)</u>		<u>(4,023,000)</u>
Total restricted funds			<u>59,811,976</u>		<u>57,411,264</u>
Unrestricted funds					
General funds	17		<u>1,915,938</u>		<u>1,289,719</u>
Total unrestricted funds			<u>1,915,938</u>		<u>1,289,719</u>
Total funds			<u><u>61,727,914</u></u>		<u><u>58,700,983</u></u>

The financial statements on pages 26 to 56 were approved by the Trustees and authorised for issue on 15 December 2022 and are signed on their behalf by:

Signature:



Ms S Hobart
Trustee

The notes on pages 30-56 form part of these financial statements.

Knowledge Schools Trust
Statement of Consolidated Cash Flows
For the year ended 31 August 2022

		2022 £	2021 £
	Notes		
Net cash (outflow) inflow from operating activities	22	(1,003,341)	1,048,066
Returns on investments and servicing of finance	23	322	294
Capital expenditure and financial investment		156,355	35,081
Decrease/increase in cash in the year	25	(846,664)	1,083,441
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September		2,882,118	1,798,678
Net funds at 31 August		2,035,454	2,882,118

1. ACCOUNTING POLICIES

Basis of Preparation

Knowledge Schools Trust is a private company limited by guarantee, incorporated in England and Wales. The address of the registered office and the principal places of operation are detailed on page 1. The nature of the Trust's operations and principal activities are described in the Trustee's report. The financial statements of Knowledge Schools, a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP(FRS102)), the Academies Accounts Direction 2021 to 2022 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust meets the definition of public benefit under FRS 102. The financial statements are presented in sterling (£) which is the functional currency of the Trust and are rounded to the nearest one pound.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. Most of the funding for the Trust's activities is provided by central government. Whilst exact funding levels for the next three financial years is not certain, the Trustees consider that any material change in funding is unlikely. Following this assessment, the Trustees have determined that the accounts should be prepared on a going concern basis.

Basis of consolidation

The Consolidated Statement of Financial Activities (SOFA) and the Consolidated Balance Sheet consolidate the financial statements of Knowledge Schools Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. Knowledge Schools Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. The Trust's Income and Expenditure account for the year dealt with in the accounts of the Trust was £2,554,310 (2021: £1,291,109)

Income

All incoming resources are recognised when the Trust has entitlement to the funds, certainty of receipts and the amount can be measured with sufficient reliability.

- **Grant receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general funds.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

1. ACCOUNTING POLICIES (continued)

- **Sponsorship income**

Sponsorship income provided to the Trust, which amounts to a donation, is recognised in the Statement of Financial Activities in the period in which it is receivable, where the receipt is probable and is measurable.

- **Donations**

Donations are recognised on a receivable basis where there is entitlement, receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

- **Donated goods, facilities and services and gifts in kind**

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefit will be required in settlement and the amount of obligation can be measured reliably. Expenditure is classified by activity. The cost of each activity are made up of total of direct cost and shared cost, including support cost involved in undertaking each activity. Direct cost attributable to a single activity, are allocated directly to that activity. Shared costs, which contribute to more than one activity and support cost, which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

These are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Fixed assets are assessed accordingly to their nature and are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. All fixed assets purchased using capital start up budgets provided by the Education and Skills Funding Agency are capitalised at cost irrespective of value. Fixed assets purchased from the General Annual Grant are capitalised if the value of an individual item is over £1,000.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the ESFA's capital budgets or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

1. ACCOUNTING POLICIES (continued)

Where fixed assets have been donated to the Trust, the asset is recognised at fair value and depreciated over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Freehold land	Not depreciated
Freehold buildings	50 years
Leasehold buildings	50 years
Leasehold land	Over the term of the lease
Fixtures, fittings and equipment	4 years
ICT equipment	4 years
Motor Vehicles	4 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advance payments for the goods or service it must provide.

Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefit and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligations. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risk specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Investments

The Academy's shareholdings in its wholly owned subsidiary, KST Enterprises Ltd, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value, and the cost of valuation exceeds the benefits derived.

Financial Instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases are as follows:

- Financial assets – VAT and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 15.
- Prepayments are not financial instruments.
- Cash at bank is classified as a basic financial instrument and is measured at face value.
- Financial liabilities – Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in Note 16.

1. ACCOUNTING POLICIES (continued)

Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Leased Assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Taxation

Knowledge Schools Trust is considered to pass the tests set out in paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, Knowledge Schools Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes and the assets are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in a separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

Unrestricted income funds represent those resources that may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources that are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the ESFA/DfE.

1. ACCOUNTING POLICIES (continued)

Critical accounting estimates and areas of judgement.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risks of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The net book value of tangible fixed assets is based on the original cost of the assets net of provision for depreciation. The depreciation provision to date is based on the Trustees' assessment of the estimated useful economic lives of such assets.

Other than the estimates discussed above, the Trustees do not consider that there are any key judgements made in the preparation of the financial statements.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

Termination/severance payments

Termination benefits, including redundancy costs, are recognised when the Trust has the obligation to pay the benefits and they can be reliably measured.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Trust was not subject to limits at 31 August 2022 on the amount of GAG that could be carried forward from one year to the next.

Knowledge Schools Trust
Notes to the financial statements
For the year ended 31 August 2022

3.	DONATIONS AND CAPITAL GRANTS	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
	Capital grants	-	646,965	646,965	218,359
	Donated fixed assets	-	-	-	60,550
	Other donations	-	322,576	322,576	99,733
		-	969,541	969,541	378,642
	<i>Total 2021</i>	<i>7,422</i>	<i>285,972</i>	<i>293,394</i>	
4.	FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
	DfE/ESFA grants				
	General Annual Grant (GAG)	-	11,001,636	11,001,636	10,109,657
	Start-up Grants	-	-	-	60,000
	Other DfE/ESFA grant				
	UIFSM	-	142,474	142,474	175,328
	Pupil premium	-	462,527	462,527	452,645
	Teachers' pension	-	57,549	57,549	351,904
	Others	-	693,200	693,200	870,697
		-	12,357,386	12,357,386	12,020,231
	Other Government grants				
	Local authority grants	-	628,863	628,863	741,767
	COVID-19 additional funding (DfE/ESFA)				
	Catch-up premium	-	-	-	126,880
	COVID-19 Mass testing funding	-	-	-	34,140
	Other DfE/ESFA COVID-19 funding	-	97,501	97,501	14,557
	Other income	-	577,391	577,391	321,471
		-	13,661,141	13,661,141	13,259,046
	<i>Total 2021</i>	<i>-</i>	<i>13,259,046</i>	<i>13,259,046</i>	

The academy received £97,501 of recovery premium, tutoring funding and Covid-19 vaccination funding and costs incurred in respect of this funding totalled £97,501.

5.	OTHER TRADING ACTIVITIES	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £		
	Hire of facilities	163,301	-	163,301	176,680		
	Other self generated income	-	760,048	760,048	285,412		
	Trading subsidiary income	1,265,096		1,265,096	539,099		
		<u>1,428,397</u>	<u>760,048</u>	<u>2,188,445</u>	<u>1,001,191</u>		
	<i>Total 2021</i>	<i>711,372</i>	<i>289,819</i>	<i>1,001,191</i>			
6.	INVESTMENT INCOME	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £		
	Short term deposits	<u>322</u>	<u>-</u>	<u>322</u>	<u>294</u>		
	<i>Total 2021</i>	<i>294</i>	<i>-</i>	<i>294</i>			
7.	EXPENDITURE	Staff Costs £	Non-pay Expenditure Premises £		Other costs £	Total 2022 £	Total 2021 £
	Expenditure on raising funds:						
	Direct costs - Trading subsidiary	562,454	-	230,046	792,500	463,830	
	Trust's educational operations						
	Direct costs	8,802,672	1,167,092	1,340,827	11,310,591	9,350,723	
	Allocated support costs	3,201,639	1,369,986	1,598,802	6,170,427	5,269,860	
		<u>12,566,765</u>	<u>2,537,078</u>	<u>3,169,675</u>	<u>18,273,518</u>	<u>15,084,413</u>	
	<i>Total 2021</i>	<i>11,238,539</i>	<i>1,331,760</i>	<i>2,514,114</i>	<i>15,084,413</i>		

Knowledge Schools Trust
Notes to the financial statements
For the year ended 31 August 2022

7. EXPENDITURE (continued)

	2022 £	2021 £
Net Income / expenditure for the year includes:		
Fees payable to auditors		
- audit of the financial statements	28,400	20,500
- under accrual for prior year audit fees	5,500	10,968
- other audit services	18,505	8,925
Depreciation	1,167,091	1,342,746
Operating lease rentals	26,200	13,284

8. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Direct costs - educational support	10,000	11,300,301	11,310,301	9,350,722
Support costs - educational support	-	6,170,427	6,170,427	5,269,861
	10,000	17,470,728	17,480,728	14,620,583
<i>Total 2021</i>	-	14,620,583	14,620,583	

Analysis of supports costs

	Total 2022 £	Total 2021 £
Support staff costs	3,201,639	2,522,235
Technology costs	280,858	370,869
Premises costs	1,369,986	1,209,132
Legal and professional costs	135,457	165,201
Other support costs	1,130,082	962,844
Governance	52,405	39,580
	6,170,427	5,269,861

Knowledge Schools Trust
Notes to the financial statements
For the year ended 31 August 2022

9.	STAFF COSTS	Total 2022 £	Total 2021 £
	Wages and salaries	8,446,495	7,694,902
	Social security costs	920,756	806,295
	Pension costs	2,554,556	2,128,267
		<hr/>	<hr/>
		11,921,807	10,629,464
	Agency staff costs	640,939	609,075
	Staff restructuring payments	4,019	-
		<hr/>	<hr/>
		12,566,765	11,238,539
		<hr/>	<hr/>
	Staff restructuring costs comprise:		
	Severance payments	4,000	-
		<hr/>	<hr/>
		4,000	-
		<hr/>	<hr/>

STAFF SEVERANCE PAYMENTS

Included in staff costs are non-contractual staff severance payments of £4,000 (2021: £nil).

The academy trust paid one severance payment in the year, disclosed in the following bands:

£0 - £25,000	1
£25,001 - £50,000	0
£50,001 - £100,000	0
£100,001 - £150,000	0
£150,000+	0

STAFF NUMBERS

The average number of persons (including senior management team) employed by Knowledge Schools Trust during the year was as follows:

	2022 No.	2021 No.
Teachers	126	125
Administration and support	91	96
Management	20	17
	<hr/>	<hr/>
	237	238
	<hr/>	<hr/>

9. STAFF COSTS (continued)

Total

Total

HIGHER PAID STAFF

The number of employees whose salary fell within the following bands was:

	2022 No.	2021 No.
£60,001 to £70,000	12	12
£70,001 to £80,000	4	4
£80,001 to £90,000	6	3
£110,001 to £120,000	2	2
	<u>24</u>	<u>21</u>

KEY MANAGEMENT PERSONNEL

The key management personnel of Knowledge Schools Trust comprise the Trustees and the senior management team listed on page 2. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Trust was £368,205 (2021: £341,868).

10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One Trustee has been paid remuneration from employment with the Trust for undertaking the role of CEO under their contracts of employment and not in respect of their role as Trustee. The value of the CEO's remuneration and other benefits were as follows:

Mr I Hunter CEO

Remuneration	£90,000 - £100,000	(2021: £80,000 - £90,000)
Employer's pension contributions	£20,000 - £30,000	(2021: £20,000 - £30,000)

None of the other Trustees received any remuneration in respect of their services as Trustees.

During the year ended 31 August 2022, no expenses were reimbursed to any Trustee (2021: £nil).

11. CENTRAL SERVICES

The Trust has provided the following central services to its schools during the year:

Financial, accounting, auditing and compliance services
Legal services
Educational support services
Management of capital projects
Management of trust-wide procurements
Human resources services

During the year, the Trust charged for these services on a % basis of each school's annual allocation income, 1/12 of which was remitted monthly by the schools to the Central Trust Team. For all schools this was budgeted at 4.0%, with the exception of Edlesborough Primary Academy which was budgeted at 2.75%. (2021: 3.75%). These charges were recommended and approved by the LGB of each school.

The actual amounts levied during the year were:

	2022 £	2021 £
West London Free School	233,567	208,789
West London Free School Primary	84,700	73,904
Earl's Court Free School Primary	45,940	40,555
Kensington Primary Academy	49,179	42,891
Edlesborough Primary Academy	22,972	-
	<u>436,358</u>	<u>366,139</u>

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2022 was included in the total premium paid by the charity of £38,740 (2021: £36,735).

Knowledge Schools Trust
Notes to the financial statements
For the year ended 31 August 2022

13. TANGIBLE FIXED ASSETS
Group and Academy Trust

	Freehold land and buildings £	Leasehold land and buildings £	Motor vehicles £	Fixtures, fittings & equipment £	ICT equipment £	Total £
Cost						
At 1 September 2021	27,802,656	37,650,190	50,539	1,329,390	1,346,398	68,179,173
Additions	-	241,281	-	180,417	68,911	490,609
At 31 August 2022	27,802,656	37,891,471	50,539	1,509,807	1,415,309	68,669,782
Depreciation						
At 1 September 2021	2,423,701	2,440,804	50,539	1,173,630	1,116,641	7,205,315
Charges in year	387,592	610,716	0	68,109	100,674	1,167,091
At 31 August 2022	2,811,293	3,051,520	50,539	1,241,739	1,217,315	8,372,406
Net book values						
At 1 September 2021	25,378,955	35,209,386	-	155,760	229,757	60,973,858
At 31 August 2022	24,991,363	34,839,951	-	268,068	197,994	60,297,376

The Trust's transactions relating to leasehold land and buildings include the construction of new library at the Cambridge Grove site which cost £229,217.

Knowledge Schools Trust
Notes to the financial statements
For the year ended 31 August 2022

14.	INVESTMENTS	2022	2021
	Academy Trust	£	£
	Investment in KST Enterprises	1	1

KST Enterprises Limited (12000639)

Nature of business: To manage the lettings of school premises, to run wraparound care and holiday clubs, to provide staff to its parent company and the sale of primary curriculum materials and associated training.

Class of share: Ordinary Included in consolidation
Holding: 100% Yes

The Academy's shareholding in the wholly owned subsidiary, KST Enterprises Limited (company number 12000639), is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

The company covenants its taxable profits to Knowledge Schools Trust (KST). A summary of trading results is shown below. Audited accounts are filed with the Registrar of Companies. All income and expenditure from trading activities was to/from unrestricted funds.

The financial results of the subsidiary for the year were:	2022	2022	2022
		£	£
	Income	Expenditure	Net assets
KST Enterprises Limited	1,353,056	(1,353,056)	-

KST Enterprises Limited provide staff to KST and sells primary knowledge curriculum materials, and associated consultancy, to other schools and multi-academy trusts. The materials are also used in our own primary schools.

KST Enterprises also manages the letting of our buildings to third parties. It also provides a service to our primary school parents via wrap-around care and holiday clubs.

15.	DEBTORS	2022	2021	2022	2021
		Group		Academy Trust	
		£	£	£	£
	VAT	1,085,513	426,550	1,108,730	437,537
	Trade debtors	251,952	181,533	145,757	112,667
	Other debtors	27,879	66,004	23,761	66,007
	Prepayments	158,376	82,005	154,545	82,005
	Accrued income	208,204	188,465	208,204	188,465
	Amounts owed from trading subsidiary	-	-	472,621	75,275
		<u>1,731,924</u>	<u>944,557</u>	<u>2,113,618</u>	<u>961,956</u>

Knowledge Schools Trust
Notes to the financial statements
For the year ended 31 August 2022

16.	CREDITORS: amounts falling due within one year	2022 Group £	2021 £	2022 Academy Trust £	2021 £
	Trade creditors	527,529	640,378	516,878	593,917
	Taxation and social security	251,032	218,903	244,302	214,958
	Other creditors	188,743	69,366	185,214	67,391
	Accruals and deferred income	996,537	1,147,904	950,418	1,136,563
		<u>1,963,841</u>	<u>2,076,551</u>	<u>1,896,812</u>	<u>2,012,829</u>
				2022 £	2021 £
	Deferred income as at 1 September 2021			933,883	536,742
	Resources deferred in the year			203,467	600,908
	Amounts released from previous years			(628,263)	(203,767)
	Deferred income as at 31 August 2022			<u>509,087</u>	<u>933,883</u>

Deferred income held at 31 August 2022 includes capital and general funding received and related to the year ending 31 August 2023, deposits held for school trips that had not taken place by 31 August 2022, nursery fees, catering and music income received in advance of September 2022.

Knowledge Schools Trust
Other notes to the financial statements
For the year ended 31 August 2022

17.	FUNDS	Balance at 1 September 2021 £	Incoming resources £	(Resources expended) £	Gains, Losses and Transfers £	Balance at 31 August 2022 £
	Restricted general funds					
	General Annual Grant (GAG)	(1,113,048)	10,723,885	(12,630,425)	2,857,221	(162,367)
	Start-up Grant	-	-	0	-	-
	UIFSM	-	142,474	(142,474)	-	-
	Pupil premium	-	462,527	(462,527)	-	-
	Teachers' pension	-	57,549	(57,549)	-	-
	Catch-up premium	-	-	-	-	-
	Other DfE/ESFA/LA grants	-	1,262,691	(1,262,691)	-	-
	Other DfE/ESFA Covid-19 funding	-	97,501	(97,501)	-	-
	Coronavirus Job Retention Scheme	-	-	-	-	-
	Other Covid-19 funding	-	-	-	-	-
	Other income	1,514,402	2,070,411	(395,428)	(3,189,385)	-
	Pension reserve	(4,023,000)	-	(831,000)	4,481,000	(373,000)
		<u>(3,621,646)</u>	<u>14,817,038</u>	<u>(15,879,595)</u>	<u>4,148,836</u>	<u>(535,367)</u>
	Restricted fixed asset funds					
	DfE/ESFA capital grants	31,473,316	94,552	(528,186)	-	31,039,682
	Condition Improvement fund	187,766	479,140	(366,069)	-	300,837
	Local authority capital grant	266,220	-	(7,024)	-	259,196
	Capital expenditure from other funds	575,973	-	(163,780)	332,164	744,357
	Private capital donation	29,823	-	(7,824)	-	21,999
	Transfer from local authority	28,499,812	-	(518,540)	-	27,981,272
		<u>61,032,910</u>	<u>573,692</u>	<u>(1,591,423)</u>	<u>332,164</u>	<u>60,347,343</u>
	Total restricted funds	<u>57,411,264</u>	<u>15,390,730</u>	<u>(17,471,018)</u>	<u>4,481,000</u>	<u>59,811,976</u>
	Unrestricted funds					
	Unrestricted funds	1,289,719	163,598	(10,000)	472,621	1,915,938
		<u>1,289,719</u>	<u>163,598</u>	<u>(10,000)</u>	<u>472,621</u>	<u>1,915,938</u>
	Total unrestricted funds	<u>1,289,719</u>	<u>163,598</u>	<u>(10,000)</u>	<u>472,621</u>	<u>1,915,938</u>
	Total funds	<u>58,700,983</u>	<u>15,554,328</u>	<u>(17,481,018)</u>	<u>4,953,621</u>	<u>61,727,914</u>
	Unrestricted Trading funds					
	KST Enterprises Limited	-	1,265,121	(792,500)	(472,621)	-
		<u>-</u>	<u>1,265,121</u>	<u>(792,500)</u>	<u>(472,621)</u>	<u>-</u>
	Total consolidated funds	<u>58,700,983</u>	<u>16,819,449</u>	<u>(18,273,518)</u>	<u>4,481,000</u>	<u>61,727,914</u>

The gains, losses and transfers column includes the transfer of funds related to fixed asset purchases (£332,164) and the transfer of other income (£3,189,385) to align with associated costs.

A transfer has been recognised between KST Enterprises Limited and the Unrestricted funds to account for the gift of profits in the year from the subsidiary to the parent entity.

17. FUNDS (continued)

The specific purposes for which the funds are to be applied are as follows:

The restricted general fund includes all government and local authority funding which is used to meet the normal running costs of our schools. The majority of this is General Annual Grant (GAG), but it also includes the Universal Infant Free School Meal grants, which is used to provide every pupil in Reception and years 1 and 2 with a free school meal. It includes the Pupil Premium which is used to help raise the attainment of disadvantaged pupils. It includes nursery funding which is used to employ appropriate staff for the nursery at Kensington Primary Academy and Edlesborough Primary Academy. It also includes Special Education Needs funding which is used to assist pupils with special needs. Start-up grants are also included to cover some of the disproportionate costs of operating a new school which does not have all year groups present. £332,164 of this funding was used in the year ended 31 August 2022 to fund the purchases of fixed assets, including the construction of a new library, IT equipment, and furniture and fittings.

The restricted fixed asset fund includes funding received from various sources for the purposes of buying the fixed assets shown in note 13 of these financial statements. This includes ESFA capital grants for the purchase of fixed assets.

Unrestricted funds include those received from the trading activities of the Trust. It is used at the discretion of the Trustees to meet any of KST's objectives.

Under the funding agreements with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward as at 31 August 2022.

17. FUNDS (continued)

Comparative movement in funds

	Balance at 1 September 2020 £	Incoming resources £	(Resources expended) £	Gains, Losses and Transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	702,058	9,343,260	(11,008,962)	(149,404)	(1,113,048)
Start-up Grant		60,000	(60,000)		
UIFSM		175,328	(175,328)		
Pupil premium		452,645	(452,645)		-
Teachers' pension		351,904	(351,904)		
Catch-up premium		126,880	(126,880)		
Other DfE/ESFA/LA grants		1,545,317	(1,545,317)		
Other DfE/ESFA Covid-19 funding		48,697	(48,697)		
Other income	-	1,564,154	(49,752)	-	1,514,402
Pension reserve	(2,387,000)	(513,000)	(550,000)	(573,000)	(4,023,000)
	<u>(1,684,942)</u>	<u>13,155,185</u>	<u>(14,369,485)</u>	<u>(722,404)</u>	<u>(3,621,646)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	30,914,870	145,749	406,652	6,045	31,473,316
Condition Improvement fund	187,170	133,160	(132,474)	(90)	187,766
Local authority capital grant	269,499	3,037	(6,390)	74	266,220
Capital expenditure from other funds	509,149	-	(88,023)	154,847	575,973
Private capital donation	49,785	-	(8,490)	(11,472)	29,823
Transfer from local authority	26,047,185	2,875,000	(422,373)	-	28,499,812
	<u>57,977,658</u>	<u>3,156,946</u>	<u>(251,098)</u>	<u>149,404</u>	<u>61,032,910</u>
Total restricted funds	<u>56,292,716</u>	<u>16,312,131</u>	<u>(14,620,583)</u>	<u>(573,000)</u>	<u>57,411,264</u>
Unrestricted funds					
Unrestricted funds	1,041,883	247,836	-	-	1,289,719
	<u>1,041,883</u>	<u>247,836</u>	<u>-</u>	<u>-</u>	<u>1,289,719</u>
Total unrestricted funds	<u>1,041,883</u>	<u>247,836</u>	<u>-</u>	<u>-</u>	<u>1,289,719</u>
Total funds	<u>57,334,599</u>	<u>16,559,967</u>	<u>(14,620,583)</u>	<u>(573,000)</u>	<u>58,700,983</u>
Unrestricted Trading funds					
KST Enterprises Limited	-	539,105	(539,105)	-	-
	<u>-</u>	<u>539,105</u>	<u>(539,105)</u>	<u>-</u>	<u>-</u>
Total consolidated funds	<u>57,334,599</u>	<u>17,099,072</u>	<u>(15,159,688)</u>	<u>(573,000)</u>	<u>58,700,983</u>

Knowledge Schools Trust
Other notes to the financial statements
For the year ended 31 August 2022

17. FUNDS (continued)

Analysis of fund balances by entity

Fund balances at 31 August 2022 were made up as follows:

	Total 2022 £	Total 2021 £
West London Free School	301,314	296,081
West London Free School Primary	504,692	653,096
Earl's Court Free School Primary	525,520	473,667
Kensington Primary Academy	200,333	207,371
Edlesborough Primary Academy	13,470	43,556
Central Trust Team	208,242	17,302
Total before fixed assets and pension reserve	1,753,571	1,691,073
Restricted fixed asset funds	60,347,343	61,032,910
Pension reserve	(373,000)	(4,023,000)
Total	61,727,914	58,700,983

The West London Free School's retained surplus increased to £301,314 as at 31 August 2022 from £296,081 as at 31 August 2021. The school managed its staffing budget and cost base very efficiently, which means a surplus has resulted in 21/22, despite the school absorbing some extraordinary premises costs (the replacement of a new boiler at Franklin House.)

Due to prudent financial management, the West London Free School Primary and Earl's Court Free School Primary are carrying surpluses of £504,692 and £525,520 respectively (2021: £653,096 and £473,667) also due to prudent financial management. A portion of the retained surplus in West London Free School Primary was deliberately allocated to capital improvements within the Cambridge Grove site, with the majority spent on the construction of a new library.

Kensington Primary Academy is carrying a net surplus of £200,333 (2021: £207,371). The school has posted a small deficit in the 21/22 year. Pupil numbers in the nursery were at less than full capacity and the number of free school meal pupils increased meaning additional catering costs. The costs of maintaining and operating a five-storey school building has provided challenges this year with a number of unexpected costs.

At the end of its first full year with the Trust, Edlesborough Primary Academy is carrying a surplus of £13,470 (2021: £43,556.) A portion of reserves has been used to contribute towards the cost of new roof, and also to commence the installation of LED lighting throughout the school.

The Trust's Central Team is carrying a surplus of £208,243 (2021: £17,302). The surplus this year is increased from prior year due to the increase in the profit of KST's trading subsidiary KST Enterprises, all of which is paid over to KST via a gift aid payment.

Analysis of expenditure by entity

	Teaching and Education support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total 2022 £	Total 2021 £
WLFS	4,263,994	1,329,507	237,342	1,763,628	7,594,471	7,175,850
WLFS Primary	2,102,055	311,302	244,224	563,483	3,221,064	2,448,611
ECFS Primary	795,266	72,940	19,291	265,173	1,152,670	1,189,471
KPA	809,798	320,026	55,084	504,792	1,689,700	1,403,106
EPA	655,067	351,222	18,186	429,068	1,453,543	1,001,772
Central Trust	172,473	816,641	62	213,299	1,202,475	1,150,676
Total	8,798,653	3,201,638	574,189	3,739,443	16,313,923	14,369,486

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed assets Funds £	Total Funds £
Fixed assets tangible	-	-	60,297,376	60,297,376
Fixed Asset investments	-	1	-	1
Current assets	1,915,938	1,801,474	49,967	3,767,378
Current liabilities	-	(1,963,841)	-	(1,963,841)
Pension scheme liabilities	-	(373,000)	-	(373,000)
	<u>1,915,938</u>	<u>(535,366)</u>	<u>60,347,343</u>	<u>61,727,914</u>

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed assets Funds £	Total Funds £
Fixed assets tangible	-	-	60,973,858	60,973,858
Fixed asset investments	-	1	-	1
Current assets	1,289,719	2,477,904	59,052	3,826,675
Current liabilities	-	(2,076,551)	-	(2,076,551)
Pension scheme liabilities	-	(4,023,000)	-	(4,023,000)
	<u>1,289,719</u>	<u>(3,621,646)</u>	<u>61,032,910</u>	<u>58,700,983</u>

19. CAPITAL COMMITMENTS

As at 31 August 2022, the Trust had capital commitments of £66,374 for the completion of the redevelopment of the rear stairs at West London Free School's Palingwick House site, the completion of the installation of LED lighting at Edlesborough Primary Academy and the completion of the air handling and ventilation project at Kensington Primary Academy. The majority of the costs for the stairwell and air handling project were covered by Condition Improvement Funds from the Department of Education.

20. FINANCIAL COMMITMENTS

Operating leases recognised as an expense

At 31 August 2022 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	16,891	20,759
Amounts due between two and five years	13,567	14,877
	<u>30,458</u>	<u>35,636</u>

21. EVENTS AFTER THE BALANCE SHEET DATE

On 1 September 2022, Doverly Academy (formerly Doverly Down Lower School) joined Knowledge Schools Trust. The value of the leasehold land and buildings which will transfer into the Trust are £3,075,000. This comprises £1,950,000 leasehold buildings, and £1,125,000 leasehold land. The LGPS pension deficit which will transfer into the Trust on 1 September 2022 is £477,000.

22. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income	(1,454,069)	1,939,385
Fixed assets transferred on conversion to academy	0	(2,875,000)
Depreciation (note 13)	1,167,091	122,628
Capital grants from ESFA and other capital income	(646,965)	(278,909)
Interest receivable (note 6)	(322)	(294)
Pension cost less contributions payable (note 27)	757,000	507,000
Pension finance cost (note 27)	74,000	43,000
Pension liability inherited on conversion	-	513,000
(Increase)/decrease in debtors	(787,367)	590,752
Increase/(decrease) in creditors	(112,710)	486,503
Net cash (outflow)/inflow from operating activities	<u>(1,003,341)</u>	<u>1,048,066</u>

23. RETURN IN INVESTMENTS AND SERVICING OF FINANCE

	2022 £	2021 £
Interest received	322	294
Net cash (outflow)/inflow from return on investment and servicing of finance	<u>322</u>	<u>294</u>

24.	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2022 £	2021 £
	Purchase of tangible fixed assets	(490,609)	(183,278)
	Capital grants from ESFA	646,964	218,359
	Net cash (outflow)/inflow from capital expenditure and financial investment	156,355	35,081

25.	CHANGES IN NET FUNDS AND NET DEBT	At 1 September 2021 £	Cash flow £	At 31 August 2022 £
	Cash in hand and at bank	2,882,118	(846,664)	2,035,454

26. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 August 2022 or at 31 August 2021.

27. MEMBERS' LIABILITY

Each Member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceased to be a Member.

28. PENSION AND SIMILAR OBLIGATIONS

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the relevant Local Authority. Both are defined-benefit pension schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions either at the beginning or at the end of the financial year.

Teachers's Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPA following enrolment.

The TPS is an unfunded scheme to which both the member and employer make contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury (HMT). The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,185,410. (2021: Employer's contribution £1,094,954). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2022 was £604,000 (31 August 2021: £590,000) of which employer's contributions totalled £469,000 (2021: £465,000), and employees' contributions totalled £135,000 (2021: £125,000). The agreed contribution rates for future years are 23.9% per cent (2021: 23.9%) for employers and 5.5-12.5% (2021: 5.5-12.5%) for employees.

28. PENSION AND SIMILAR OBLIGATIONS (continued)

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. The Trust has three separate LGPS funds, one held by London Borough of Hammersmith and Fulham (including West London Free School, West London Free School Primary and Earl's Court Free School Primary), one held by the Royal Borough of Kensington and Chelsea (for Kensington Primary Academy) and one held by Buckinghamshire County Council (for Edlesborough Primary Academy).

Principal Actuarial Assumptions	At 31 August 2022 %	At 31 August 2021 %
Rate of increase in salaries	4.00	3.85
Rate of increase in pensions	3.00	2.85
Discount rate for scheme liabilities	4.23	1.70
Inflation assumption (CPI)	3.00	2.85

Sensitivity analysis for the principal assumptions used to measure scheme liabilities

Adjustment to discount rate	-0.1%
Present value of total obligation	1,050,000
Adjustment to long term salary increase	+0.1%
Present value of total obligation	925,000
Adjustment to pension increases and deferred revaluation	+0.1%
Present value of total obligation	1,048,000
Adjustment to life expectancy assumptions	+ 1 Year
Present value of total obligation	1,067,000

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 were:

	At 31 August 2022	At 31 August 2021
Retiring today		
Males	21.0-21.4	21.6
Females	24.1-24.6	24.3-25.0
Retiring in 20 years		
Males	22.3-22.9	22.9
Females	26.0-26.1	25.7-26.4

28. PENSION AND SIMILAR OBLIGATIONS (continued)

The Trust's share of the assets in the scheme and the expected rates of return were:

	At 31 August 2022 £	At 31 August 2021 £
Equities	2,235,830	1,517,000
Absolute Return Portfolio	-	45,000
Gilts	44,000	50,000
Cash	81,710	147,000
Property	535,380	261,000
Infrastructure	24,000	-
Multi Asset Credit	50,000	-
Private debt	7,000	-
Hedge Funds	-	11,000
Cash Plus Funds	-	536,000
Alternative Assets	-	9,000
Other bonds	496,080	413,000
Total market value of assets	3,474,000	2,989,000
Present value of scheme liabilities - Funded	(3,847,000)	(7,012,000)
	(373,000)	(4,023,000)

The actual return on scheme assets in the London Borough of Hammersmith and Fulham Pension Fund was £80,000 (2021: £244,000). The actual return on scheme assets in the Royal Borough of Kensington and Chelsea Pension Fund was £1,000 (2021: £31,000). The actual return on scheme assets in the Edlesborough Primary Academy Fund was £30,000 (2021: £72,000).

	At 31 August 2022	At 31 August 2021
Movements in the present value of defined benefit obligation were as follows		
At 1 September	7,012,000	4,094,000
Transferred in on conversion	-	852,000
Current service cost	1,226,000	972,000
Interest cost	130,000	80,000
Estimated benefits paid net of transfers in	(10,000)	6,000
Employee contributions	135,000	125,000
Change in financial assumptions	(4,644,000)	1,075,000
Change in demographic assumptions	(21,000)	(68,000)
Experience loss/(gain) on defined benefit obligation	19,000	(124,000)
Liabilities assumed/(extinguished) on settlements	-	-
At 31 August (closing defined benefit obligation)	3,847,000	7,012,000

28. PENSION AND SIMILAR OBLIGATIONS (continued)

Movements in the fair value of the Trust's share of scheme assets	2022 £	2021 £
At 1 September	2,989,000	1,707,000
Transferred in on conversion	-	339,000
Interest on assets	56,000	37,000
Return on assets less interest	(165,000)	310,000
Administrative expenses	-	-
Employer contributions	469,000	465,000
Employee contributions	135,000	125,000
Estimated benefits paid	(10,000)	6,000
Other actuarial gains/(losses)	-	-
At 31 August (closing defined benefit obligation)	3,474,000	2,989,000
Amounts recognised in the Statement of Financial Activities	2022 £	2021 £
Service cost	1,226,000	972,000
Net interest on the defined liability	74,000	43,000
Total operating expenses	1,300,000	1,015,000
Return on assets in excess of interest	165,000	(310,000)
Change in financial assumptions	(4,644,000)	1,075,000
Change in demographic assumptions	(21,000)	(68,000)
Other actuarial gain/(losses) on assets	-	-
Experience gain/(loss) on defined benefit obligation	19,000	(124,000)
Total comprehensive income	(4,481,000)	573,000
Total amount recognised in the statement of financial activities	(3,181,000)	1,588,000

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and the fact that the Board's Trustees are drawn in part from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted on an arm's length basis, i.e. any Trustees with an interest in the organisations concerned are not involved in the decision of whether to engage in those transactions, and in accordance with the Trust's financial regulations and normal procurement procedures, i.e. the Board follows the procedures set out in the company's Articles of Association regarding the purchase of goods or services from Trustees, observes the guidance set out in the Academy Trust Handbook and its Financial Regulations and Scheme of Delegation document and complies with company law and charity law.

The following related party transaction took place in the period:

During the year ended 31 August 2022, the Trust had donations receivable totalling £130,872 (2021: £70,858) from Knowledge Schools Foundation Trust, a company and registered charity that shares some common Trustees with Knowledge Schools Trust.

During the twelve months ended 31 August 2022, the Trust paid for staffing services provided by KST Enterprises, a wholly owned subsidiary of Knowledge Schools Trust. The value of services paid for was £87,935 (2021: £39,690). At 31 August 2022, KST owed KSTE a net unsecured amount of £1,174. (2021: £434 owed by KST).

30. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the academy trust received £13,584 (2021: £16,816) and disbursed £23,714 (2021: £19,184) from the fund. An amount of £5,136 (2021: £14,066) is included in other creditors relating to undistributed funds that may be repayable to ESFA.

Knowledge Schools Trust
Other notes to the financial statements
For the year ended 31 August 2022

31. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Total 2021 £
Income and endowments from:					
Donations and capital grants	3	-	99,733	278,909	378,642
Transfer from the local authority on conversio	31		(490,375)	2,875,000	2,384,625
Charitable activities					
Funding for the Trust's educational operations	4	-	13,256,009	3,037	13,259,046
Other trading	5	711,372	289,819	-	1,001,191
Investments	6	294	-	-	294
Total		711,666	13,155,186	3,156,946	17,023,798
Expenditure on:					
Charitable activities		463,830	-		463,830
Trust's educational operations	8	-	14,369,485	251,098	14,620,583
Total		463,830	14,369,485	251,098	15,084,413
Net incoming resources before transfers		247,836	(1,214,299)	2,905,848	1,939,385
Gross transfers between funds	28		(149,404)	149,404	-
Net income for the year		247,836	(1,363,703)	3,055,252	1,939,385
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	28	-	(573,000)	-	(573,000)
Net movement in funds		247,836	(1,936,703)	3,055,252	1,366,385
Reconciliation of funds					
Funds brought forward		1,041,883	(1,684,942)	57,977,658	57,334,599
Funds carried forward		1,289,719	(3,621,645)	61,032,910	58,700,984